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§ 81a. Definitions

When used in this chapter—

(a) The term “Secretary” means the Secretary of Commerce;

(b) The term “Board” means the Board which is established to carry out the provisions of this chapter. The Board shall consist of the Secretary of Commerce, who shall be chairman and executive officer of the Board, and the Secretary of the Treasury;

(c) The term “State” includes any State, the District of Columbia, and Puerto Rico;

(d) The term “corporation” means a public corporation and a private corporation, as defined in this chapter;

(e) The term “public corporation” means a State, political subdivision thereof, a municipality, a public agency of a State, political subdivision thereof, or municipality, or a corporate municipal instrumentality of one or more States;

(f) The term “private corporation” means any corporation (other than a public corporation) which is organized for the purpose of establishing, operating, and maintaining a foreign-trade zone and which is chartered under special Act enacted after June 18, 1934, of the State or States within which it is to operate such zone;

(g) The term “applicant” means a corporation applying for the right to establish, operate, and maintain a foreign-trade zone;

(h) The term “grantee” means a corporation to which the privilege of establishing, operating, and maintaining a foreign-trade zone has been granted;

(i) The term “zone” means a “foreign-trade zone” as provided in this chapter.

(June 18, 1934, ch. 590, § 1, 48 Stat. 998; Pub. L. 104-201, div. A, title IX, § 910, Sept. 23, 1996, 110 Stat. 2621.)

AMENDMENTS

1996—Subsec. (b). Pub. L. 104-201, § 910(1), substituted “and the Secretary of the Treasury” for “the Secretary of the Treasury, and the Secretary of War”.

Subsec. (c). Pub. L. 104-201, § 910(2), struck out “Alaska, Hawaii,” after “Columbia,”.

SHORT TITLE

This chapter is popularly known as the “Foreign Trade Zones Act”.

FLOOR STOCKS TAX TREATMENT OF ARTICLES IN FOREIGN TRADE ZONES

Notwithstanding this chapter, articles located in a foreign trade zone on the effective date of increases in

tax under specific amendments by Pub. L. 101-508 subject to floor stocks taxes under certain circumstances, see section 11218 of Pub. L. 101-508, set out as a note under section 5001 of Title 26, Internal Revenue Code.

§ 81b. Establishment of zones

(a) Board authorization to grant zones

The Board is authorized, subject to the conditions and restrictions of this chapter and of the rules and regulations made thereunder, upon application as hereinafter provided, to grant to corporations the privilege of establishing, operating, and maintaining foreign-trade zones in or adjacent to ports of entry under the jurisdiction of the United States.

(b) Number of zones per port of entry

Each port of entry shall be entitled to at least one zone, but when a port of entry is located within the confines of more than one State such port of entry shall be entitled to a zone in each of such States, and when two cities separated by water are embraced in one port of entry, a zone may be authorized in each of said cities or in territory adjacent thereto. Zones in addition to those to which a port of entry is entitled shall be authorized only if the Board finds that existing or authorized zones will not adequately serve the convenience of commerce.

(c) Preference to public corporations

In granting applications preference shall be given to public corporations.

(d) Ownership of harbor facilities by State

In case of any State in which harbor facilities of any port of entry are owned and controlled by the State and in which State harbor facilities of any other port of entry are owned and controlled by a municipality, the Board shall not grant an application by any public corporation for the establishment of any zone in such State, unless such application has been authorized by an Act of the legislature of such State (enacted after June 18, 1934).

(June 18, 1934, ch. 590, § 2, 48 Stat. 999.)

§ 81c. Exemption from customs laws of merchandise brought into foreign trade zone

(a) Handling of merchandise in zone; shipment of foreign merchandise into customs territory; appraisal; reshipment to zone

Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the customs laws of the United States, except as otherwise provided in this chapter, be brought into a zone and may be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, or be manufactured except as otherwise provided in this chapter, and be exported, destroyed, or sent into customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise is so sent from a zone into customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise: *Provided*, That whenever the privilege shall be requested and there has been no manipula-